**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**

**COMPANY APPLICATION No. 349 of 1999**

**For Approval and Signature:**

**HONOURABLE MR.JUSTICE M.R. SHAH**

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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**UNION BANK OF INDIA - Applicant(s)**
**Versus**
**THE O.L. OF NAVJYOT MILLS LTD. - Respondent(s)**

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**Appearance :**

MR PRANAV G DESAI for Applicant(s) : 1,
OFFICIAL LIQUIDATOR for Respondent(s) : 1,
MR MB GANDHI for Respondent(s) : 1,
MR DS VASAVADA for Respondent(s) : 1,
MR SUDHIR M MEHTA for Respondent(s) : 1,

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**CORAM : HONOURABLE MR.JUSTICE M.R. SHAH**

**Date : 03/11/2006**

**ORAL JUDGMENT**

1. By way of this Judge's Summons, the Union Bank of India – the applicant, who claims to be the

sole secured creditor, has prayed for an appropriate order directing the Official Liquidator of the company in liquidation to pay the amounts lying to the credit of Official Liquidator at present and the amount or such part thereof which the Official Liquidator may receive by sale of the land or properties of M/s. Navjyot Mills Limited (in liquidation).

2. It appears from the various reports of the Official Liquidator that various amounts were paid to the applicant Bank on ad-hoc basis from time to time. It appears from the record and the last report submitted by the Official Liquidator dated 22nd September, 2006 that on the verification of the claim by the Official Liquidator, Rs.4,46,99,000/- is more paid to the applicant Bank as according to the Official Liquidator, the applicant Bank being secured creditor of the company for an amount and to the extent of Rs.1,50,61,000/-. It is also submitted in the said report that due to short time and since the matter was fixed for hearing on 25.9.2006, the claim of the applicant Bank could not be referred to the Chartered Accountant for verification since the supporting documents and details were submitted by the applicant on 14.9.2006. Shri Pranav G. Desai, learned advocate appearing for the applicant Bank has disputed that the applicant Bank is a secured creditor of the company for an amount and to the

extent of Rs.1,50,61,000/- only. It is submitted by Shri Desai that in view of the aforesaid dispute as such, the claim of the applicant is required to be referred to the Chartered Accountant for the verification and the Chartered Accountant is required to verify the claim of the applicant considering the supporting documents and the details submitted by the applicant Bank submitted on 14.9.2006.

3. Under the circumstances, the Official Liquidator is directed to get the claim of the applicant Bank verified by the Chartered Accountant from the panel of the Chartered Accountant and by sending all the supporting documents and details submitted on 14.9.2006 to the Chartered Accountant and inform the applicant Bank accordingly. The said exercise to be completed by the Chartered Accountant as well as the Official Liquidator within a period of 3 months from today. On receipt of the report from the Chartered Accountant, the Official Liquidator to submit the report before this Court so that an appropriate final order can be passed.

4. With these, the present application is disposed of.

[ M.R.SHAH, J.]

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